

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8120

BILL NUMBER: SB 533

DATE PREPARED: Jan 18, 2001

BILL AMENDED:

SUBJECT: Indiana Medical, Nursing, and Dentistry Grants.

FISCAL ANALYST: Chris Baker

PHONE NUMBER: 232-9851

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that a newly licensed physician, nurse, or dentist who: (1) establishes a practice or works in certain practice areas; (2) works in a medical shortage area or primarily serves patients from medical shortage areas; and (3) accepts Medicaid and Children's Health Insurance Program patients; is eligible for a grant from the Indiana Medical, Nursing, and Dental Grant Fund. The bill also repeals provisions concerning medical entities receiving grants from the Fund.

Effective Date: June 30, 2001; July 1, 2001.

Explanation of State Expenditures: The bill will allow physicians, nurses, and dentists to receive a grant for serving patients in a medical shortage area. Every year, the State Department of Health publishes a list of areas underserved in Indiana. Currently, the existing Grant Fund makes grants to medical entities in a shortage area seeking to employ a registered nurse. The bill would create the Indiana Medical, Nursing, and Dental Grant Fund. Monies remaining in the existing Grant Fund on June 30, 2001, will be transferred to the Indiana Medical, Nursing, and Dental Grant Fund. The State Department of Health administers the current Grant Fund. Under the bill, the Department would be charged with administering the new Fund.

If a physician, nurse, or dentist meets the Medicaid and Children's Health Insurance Program provisions of the bill, they could be eligible for an initial grant of up to \$10,000. Grants can be awarded in a second and third year if the physician, nurse, or dentist continues to practice in a shortage area or primarily serves patients from a shortage area.

Additionally, grants can only be awarded to physicians, nurses, and dentists that have been practicing for four years or less. The Health Professions Bureau reports the following initial licenses issued since 1997 in the physician, nursing, and dentist professions:

License	2000	1999	1998	1997	Total
Physicians	1,568	1,968	1,936	1,956	7,428
Osteopaths	94	134	110	106	444
Dentists	88	112	96	96	392
LPN	1,326	1,295	1,531	1,486	5,638
RN	3,106	3,176	3,447	3,900	13,629

The number of physicians, nurses, and dentists that are currently practicing in a shortage area is unknown. Additionally, the above chart reflects all initial licenses. Some of these licenses may be new practitioners in these professions. Some license holders may be out-of-state practitioners with more than four years of practice. The impact is currently indeterminable and is dependent on the number of physicians, nurses, and dentists that practice in an area or treat persons from an area that meets the requirements of the bill.

The annual appropriation to the existing Grant Fund is \$40,000. As of January 18, 2001, the Department reports a current balance of \$125,220.39 with \$30,000 in outstanding grants to be paid. Four grants have been entered into by the Department within the current year.

Background: A shortage area is currently defined as a county, city, town, census tract, or township designated by the Indiana State Department of Health as underserved by physicians or nurses.

The Department reports the following counties as Health Professional Shortage Areas (HPSA): Benton, Blackford, Brown, Crawford, Daviess, Franklin, Greene, Jennings, LaGrange, Newton, Ohio, Owen, Pike, Randolph, Spencer, Starke, Steuben, Sullivan, Switzerland, Warren, and White.

Partial areas of the following counties are also considered as an HPSA: Harrison, Lake, Marion, Ripley, and St. Joseph.

The Department lists the following counties as Medically Underserved Areas (MUA): Brown, Clay, Crawford, Daviess, Franklin, Ohio, Pike, Scott, Spencer, Starke, Sullivan, and Switzerland.

Partial areas of the following counties are also considered as an MUA: Allen, Cass, Clark, Clinton, Decatur, Delaware, Elkhart, Fayette, Floyd, Gibson, Grant, Greene, Howard, Huntington, Jefferson, Jennings, Johnson, Knox, Lake, Madison, Marion, Martin, Miami, Orange, Owen, Parke, Perry, Posey, Ripley, St. Joseph, Tippecanoe, Union, Vanderburgh, Vigo, Washington, and White.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Department of Health.

Local Agencies Affected:

Information Sources: Barbara McNutt, Health Professions Bureau, (317)233-4406; Marilyn Cage, Indiana State Department of Health, (317) 233-2170.